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MAR 24 1992

FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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(X) QUARTERLY REPORT
EXCHANGE ACT

SECTION 13 OR 15(d) OF THE SECURITIES

For the quarterly period ended January 31, 1992

OR

( ) TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 33-2799

Ashland Financial Services, Inc.
(Exact name of registrant as specified in its charter)

Kentucky	61-0544028
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1600 Carter Avenue, Ashland, Kentucky 41101
(Address of principal executive offices)
(Zip Code)

606-329-1000
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No _____

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common Stock outstanding at January 31, 1992: 6,000 shares (including shares in treasury)

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Ashland Financial Services, Inc.
and Subsidiary Companies
Consolidated Condensed Balance Sheets

Assets	January 31, 1992	April 30, 1991
Cash and Temporary Cash Investments	$ 139,227	$ 199,271
Instalment Notes Receivable		
Direct cash loans	9,117,877	8,720,263
Instalment sales contracts	975,182	995,991
Total	10,093,059	9,716,254
Less:		
Unearned income	627,222	556,022
Allowance for doubtful notes	609,105	383,778
Total	1,236,327	939,800
Instalment notes receivable - net	8,856,732	8,776,454
Property and Furniture and Fixtures (at cost, less accumulated depreciation and amortization of $222,556 for April 30, 1991 and $253,008 for January 31, 1992)	330,549	367,136
Inventory of Repossessions	325,595	372,004
Other Assets	176,834	182,140
TOTAL	$ 9,828,937	$ 9,897,005

Ashland Financial Services, Inc.
and Subsidiary Companies
Consolidated Condensed Balance Sheets

Liabilities	January 31, 1992	April 30, 1991
Accounts Payable	$ 20,330	$ 84,418
Unearned Insurance Comissions	104,887	97,997
Dealers' Reserve	65,186	74,595
Accrued Liabilities:		
Interest on notes payable	780,843	614,884
Salaries and wages	11,531	15,604
Vacation Pay	21,804	21,804
Other	38,338	62,854
Notes Payable:		
Banks	1,200,000	1,200,000
Subordinated	4,826,430	4,973,413
Senior Subordinated	1,400,000	1,400,000
Total Liabilities	8,469,349	8,543,369
Shareholders' Equity:		
Capital Stock:		
Common, par value $100 a share - authorized and issued 6,000 shares	600,000	600,000
Additional paid-in capital	57,000	57,000
Retained Earnings	705,088	696,936
Total	1,362,088	1,353,936
Less Common Stock in Treasury - 20 shares at cost	2,500	2,500
Shareholders' equity - net	1,359,588	1,351,436
TOTAL	$ 9,828,937	$ 9,897,005

Ashland Financial Services, Inc.
and Subsidiary Companies
Condensed Statements of Consolidated Income (Loss)

	Nine Months Ended January 31,		Three M Januar
	1992	1991	1992
Operating Revenues:			
Interest Income on Loans	$1,899,429	$1,721,863	$586,031
Insurance commissions	93,123	92,108	30,021
Other	27,485	16,324	5,185
Total Revenue	2,020,037	1,830,295	621,237
Expenses:			
Interest	643,295	727,387	208,567
Provision for doubtful notes receivable - net of recoveries on notes previously written off	407,687	183,215	85,859
Salaries and wages	434,042	453,087	130,468
Other operating expenses	523,183	496,473	178,369
Total Expenses	2,008,207	1,860,162	603,263
Income (Loss) before income taxes	11,830	(29,867)	17,974
Provision for Federal and State Income Taxes:			
Current	3,678	--	1,175
Deferred	--	--	--
Total	3,678	--	1,175
Earnings (Loss) applicable to Common Stock	$ 8,152	$ (29,867)	$ 16,799
Per Share of Common Stock:			
Earnings (Loss) applicable to Common Stock (A)	1.36	(4.99)	2.81
Dividends	--	--	--
Ratio of Earnings (Deficit) to Fixed Charges (B)	1.02	(.96)	1.09

Notes:

A -- Based on the weighted average number of shares outstanding, 5,980 shares in the nine month
January 31, 1991 and 1992.

B -- Earnings used to compute the ratio of earnings to fixed charges are before income taxes an
charges (interest and amortization of debt discount and expense and premium on all indebtc
the portion of expense as is representative of the interest factor).

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612,073	
235,462	
60,725	
153,878	
163,666	
615,731	
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$(3,658)	
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Ashland Financial Services, Inc.
and Subsidiary Companies
Consolidated Statement of Cash Flows

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

	Nine Months Ended January 31,	
	1992	1991
Cash Flows from Operating Activities:		
Interest received from:		
Loans	$ 1,836,033	$ 1,633,193
Short-term investments	1,507	3,663
Late charges	30,122	32,456
Other charges on loans	42,125	36,808
Insurance commissions	93,124	92,108
Other income	25,978	12,661
Interest paid	(809,254)	(240,023)
Cash paid to employees and suppliers	(695,537)	(1,808,988)
Net cash used by operating activities	574,100	(238,122)
Cash Flows From Investing Activities:		
Principal collected on loans	9,466,035	10,120,338
Loans made to customers	(9,954,000)	(10,173,229)
Capital expenditures	(9,562)	(22,088)
Repossessions	(48,893)	(109,119)
Proceeds from sale of equipment	7,725	1,350
Proceeds from sale of repossessions	91,534	72,695
Net cash used in investing activities	(487,161)	(110,053)
Cash Flows from Financing Activities:		
Net borrowings under revolving credit agreement	---	850,000
Issuance of subordinated notes	757,479	1,024,579
Redemption of subordinated notes	(904,462)	(1,749,779)
Net cash provided by financing activities	(146,983)	124,800
Net Increase (Decrease) in Cash and Cash Equivalents	(60,044)	(223,375)
Cash and Cash Equivalents, Beginning	199,271	339,291
Cash and Cash Equivalents, Ending	$ 139,227	$ 115,916

Ashland Financial Services, Inc.
and Subsidiary Companies
Consolidated Statement of Cash Flows

	Nine Months Ended January 31,	
	1992	1991
Reconciliation of Net Income to Net Cash Provided By Operating Activities:		
Net income (loss)	$ 8,152	$ (29,867)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	38,059	33,295
Provision for doubtful finance notes receivable	407,687	183,215
Provision for loss on inventory of repossessions	45,742	27,834
(Gain) loss on sale of repossessed collateral	(1,974)	(9,313)
(Gain) loss on sale of property and equipment	365	1,408
(Increase) decrease in:		
Interest Receivable	(8,854)	19,406
Prepaid Expenses	8,175	(3,210)
Miscellaneous receivables	5,985	(4,420)
Increase (decrease) in:		
Interest payable	165,959	(487,364)
Other liabilities	(95,196)	30,894
	$ 574,100	$ (238,122)

PART II -- OTHER INFORMATION

Item 1 - Legal Proceedings

Other than routine proceedings which are a normal part of the Company's operations, there are no material previously unreported pending legal proceedings either by or against the Company.

Item 6 (a) Exhibits

Ratio of Earnings to Fixed Charges
Ashland Financial Services, Inc. and Subsidiary Companies

	Nine Months Ended January 31,		Three Months Ended January 31,	
	1992	1991	1992	1991
Net Income	$ 8,152	$(29,867)	$ 16,799	$ (3,658)
Add - Income Taxes	3,678		1,175	
TOTAL	11,830	(29,867)	17,974	(3,658)
Add - Fixed Charges:				
Interest expense	643,295	727,387	208,567	235,462
Earnings before fixed charges	$655,125	$697,520	$226,541	$231,804
Ratio of earnings (deficit) to fixed charges	1.02	(.96)	1.09	(.98)

Item 6 (b) Reports on Form 8K

No form 8K was filed by the Company during any month in the nine month period ended January 31, 1992.

NOTE TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

January 31, 1992

Note A -- Basis of Presentation

The accompanying unaudited, consolidated condensed financial statements have been prepared in accordance with the instructions for Form 10-Q and therefore do not include all information and footnotes necessary for a fair presentation of financial position, results of operations, and changes in cash flow in conformity with generally accepted accounting principles.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND THE RESULTS OF OPERATIONS

FINANCIAL CONDITION

Financial condition did not significantly fluctuate from April 30, 1991 to January 31, 1992.

RESULTS OF OPERATIONS

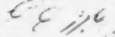
The increase of approximately $38,000 in net income for the nine months ended January 31, 1992 as compared to the nine months ended January 31, 1991 resulted primarily from an increase in total revenue of approximately $189,700 which was partially offset by an increase in expenses of approximately $148,000.

The increase in revenue is the result of an increase in interest on loans due to a higher outstanding notes receivable and also a slight increase in other income.

The increase in expenses is due to an increase in the provision for doubtful notes which was only partially offset by a decrease in interest expense. The provision increased due to higher charge offs and the company's decision to increase the reserve. The interest expense decreased due to a reduction in the prime rate.

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Ashland Financial Services, Inc.



E. E. McGuire, President
and Chief Executive Officer
and Chief Financial Officer

March 6, 1992